GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:594
ANSWERED ON:03.12.2004
LIC PUBLIC OFFER
Jagannath Dr. M.;Patil Shri Balasaheb Vikhe

Will the Minister of FINANCE be pleased to state:

(a) whether Life Insurance Corporation has lost 6% market share in the first half of the current financial year;

(b) if so, the reasons therefor;

(c) whether LIC has sought permission for Rs.2,000 crore public offering;

(d) if so. the reasons therefor; and

(e) the steps taken to improve its performance?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

a) 8c (b): Life Insurance Corporation of India (LIC) have reported that they have registered a growth of 62.71% in First. Premium Income in the first half of the current year over lorresponding period last year. However, their market share has come down by 6% as compared o last year during this period partly because of tough competition in the market and partly due to continued focus on old products like Endowment, Whole Lire and Term Assurance Plans.

c): No, Sir.

d). Does not arise.

e) To improve its performance, LIC have launched three new products in November, 2004. they are now shifting the product focus to marketing of Unit Linked Scheme and Individual pension Plans, which are popular in the market.other steps include increasing group business by tie ups with banks, designing new products for fund management,new growth qriented scheme of incentive bonus for development officers etc.